

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6883**

**BILL NUMBER: HB 2074**

**DATE PREPARED:** Dec 18, 2000

**BILL AMENDED:**

**SUBJECT:** Street Lights at Railroad Crossings.

**FISCAL ANALYST:** James Sperlik

**PHONE NUMBER:** 232-9866

**FUNDS AFFECTED:**     **GENERAL**  
                              **X DEDICATED**  
                              **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill requires the Indiana Department of Transportation (INDOT) to install a street light at a railroad grade crossing that does not have automatic train-activated warning signals if: (1) the city, town, or county that has jurisdiction of the road or street intersecting the railroad crossing requests installation of a street light; and (2) automatic train-activated warning signals will not be installed at the crossing within one year after the department receives the request for installation of a street light. It requires the Department to pay for the cost of installing the street light and obtaining any easements if the costs will not be paid for by a person, utility, municipal utility, or any other legal entity. The bill requires the city, town, or county to maintain and pay the costs of operating the street light.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:** The INDOT reports that there are approximately 3,500 railroad grade crossings that do not have automatic train-activated warning signals. It is not known how many grade crossings would meet the two criteria set forth in the bill.

The bill also provides that the INDOT shall pay the cost of installing a street light and of acquiring any easements for installing the street light that are not paid by a person, utility, municipal utility, or any other legal entity. The specific impact will depend upon the number of such crossings which meet the criteria set forth in the bill, the value of the land needed for an easement, and whether INDOT will be required to pay the costs of installing the street light.

The costs for the installation of a street light range from \$325 to \$3,750 or between \$11.86 and \$28.57 per month, depending upon specifications and other factors. These do not include the cost of easements.

*Background on Various Cost Options:* Several cost options were explored. The cost for the installation of a street light, based on INDOT specifications, amounts to \$3,750 as described in the following table.

Material Needed	Estimated Cost
400 Watt Luminaries (light bulb)	\$ 250
40 ft. aluminum light pole	\$1,500
Foundation	\$ 500
Service Point	\$1,000
4 #4 copper conductors	\$ 500
Total	\$3,750

A second company, American Electric Power (AEP), provided cost data indicating that the total cost for a street light would range between \$300 and \$400. The cost includes a 175-watt light bulb (\$50), a 35-foot wood light pole (\$125), 16-inch brackets (\$100), and miscellaneous expenses (\$50) for a total of \$325.

Cinergy/PSI Corporation has also developed a street lighting program. Customers seeking service for a Cinergy/PSI-owned lighting system are required to enter into a contract with PSI Energy, Inc., for an initial term of ten years, and successive terms of five years. If the customer terminates service under this rate schedule prior to the expiration of the initial term of the contract, the customer must pay Cinergy/PSI the original installation cost of the area lighting system, less accumulated depreciation, plus removal cost, less any salvage value.

The street lighting system is billed to the customer on a monthly basis and subject to the current rates. The street lighting service is available to any Cinergy/PSI customer for use on public streets or areas that are owned or controlled by municipalities, governmental agencies, or county jurisdictions. A private entity must furnish Cinergy/PSI with a letter of consent from a government entity.

Cinergy/PSI has estimated the monthly cost for the street lighting program to range between \$11.86 and \$28.57 per month depending on the type of light pole used. Steel and aluminum poles would command a \$28.57 per month charge, while wood poles would be \$11.86 per month. There may be additional charges, depending upon extra work required because of any location peculiarities.

The cost for an easement may vary greatly, depending upon the value of the land. The INDOT reports that fee title is maintained by the fee owner, however, the acquiring agency has the right to use the right of way for the intended purpose. Compensation for these acquisitions is calculated at 95% of the fee simple value. Below is an illustration of how this works with the estimated value of the land at \$2,000 per acre and 0.092 acres (estimated area 20' x 200' needed) for the street light:

$$\$2,000 \times .092 \text{ acre} = \$184.00 \times .95 = \$174.80.$$

The above information is based on January 2000 cost data.

### **Explanation of State Revenues:**

**Explanation of Local Expenditures:** The city, town, or county that holds the jurisdiction over the road or street must pay the costs of maintaining and operating the street light. This cost will vary depending upon the provider of electrical power. (For example, American Electric Power (AEP), has estimated the monthly cost for a street light to be approximately \$13.)

### **Explanation of Local Revenues:**

**State Agencies Affected:** Department of Transportation.

**Local Agencies Affected:** Cities, towns, and counties.

**Information Sources:** Brian Krenzke, Manager INDOT Appraisal Section, Land Acquisition Division, 232-5030; Gary Mroczka, INDOT Design Division, 232-5226; Jeff Drozda, Manager of Governmental Affairs for AEP, 636-6033; Dan McMains, Customer Project Coordinator Cinergy/PSI, 745-1004.